



Northumbria Police Federation

Your Federation
Your Voice
Your Future

Representing and Supporting YOU

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Our ref LM/AR

26 January 2017

Your ref

Martyn Mordecai
JCC Treasurer
Police Federation of England & Wales
Federation House
Highbury Drive
Leatherhead
SURREY
KT22 7UY

Dear Martyn

On 20 January 2017, the Joint Branch Board met and approved the audited accounts for the year ending 31 December 2016.

I enclose 2 copies of our Financial Statements (F45) for the year ended 31 December 2016 and would be grateful if you could forward a copy to the Home Secretary on my behalf.

Yours sincerely

David O
JBB Deputy Secretary/Treasurer

Encs

30 JAN 2017

All correspondence to be addressed to the Secretary

Northumbria Police Federation take the security and privacy of your personal data very seriously.
To read our full privacy/fair use statement, please visit our website www.norpolfed.org.uk.
The statement can be accessed at the bottom of the homepage.

POLICE FEDERATION

(Police Act 1964)

The Police Federation Regulations 1969, Part III (as amended)

NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
YEAR ENDED 31ST DECEMBER 2016**

CHAIRMAN

*Mr. James Gray
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

SECRETARY

*Ms. Lisa Mackie
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

TREASURER

*Mr. David Orr
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

AUDITORS

*Read, Milburn & Co.
Chartered Accountants & Statutory Auditors
71, Howard Street, North Shields
Tyne and Wear, NE30 1AF*

TRUSTEES

*Mr. Alastair Gibson, Mr. Paul Hamilton and Mr. Mark Sutcliffe
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOINT BRANCH BOARD FUND

We have audited the financial statements of the Northumbria Police Joint Branch Board Fund for the year ended 31st December 2016, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and Notes to the Financial Statements. The financial statements have been prepared under the requirements of the Police Federation Regulations and Fund Rules and adopting the measurement principles of FRS 102, "The Financial reporting Standard applicable in the UK and Republic of Ireland"..

This report is made solely to the Fund's members, as a body. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the management committee and auditors

As explained more fully in the Statement of Management Committee's Responsibilities set out in the notes to the Financial Statements, the management committee are responsible for the preparation of Financial Statements and for being satisfied that they fairly reflect the state of the Fund's affairs as at 31st December 2016 and of its results for the year then ended.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the management committee and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- Fairly reflect the state of the Fund's affairs as at 31st December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with the measurement principles of United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Police Federation Regulations and Fund Rules.

Other Matters

The Financial Statements for the year ended 31st December 2016 includes all funds raised for the purpose of the Joint Branch Board Fund in accordance with Regulation 2 Police Federation (Amendment) Regulations 2015

Signed:



David Hodgson, MBE, FCA, ACIB
for and on behalf of Read, Milburn & Co.
Chartered Accountants & Statutory Auditors
71, Howard Street, North Shields
Tyne and Wear, NE30 1AF

Dated 19 January 2017

**NORTHUMBRIA POLICE FEDERATION
JOINT BRANCH BOARD FUND**

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

INCOME	<u>2016</u>	<u>2015</u>
	£	£
Weekly Subscriptions		
Constables	649,890	652,473
Sergeants	103,584	120,934
Inspectors	36,254	47,649
	<hr/>	<hr/>
	789,728	821,056
Less: Payable to Central Committees		
Constables	454,923	456,731
Sergeants	72,509	84,654
Inspectors	25,378	33,354
	<hr/>	<hr/>
	236,918	246,317
Less: ADMINISTRATIVE EXPENSES (Note 1)	1,255,934	1,338,650
	<hr/>	<hr/>
DEFICIT OF SUBSCRIPTION INCOME OVER EXPENDITURE	(1,019,016)	(1,092,333)
Add: Other Income - (Note 1.1)	1,135,939	1,271,570
	<hr/>	<hr/>
SURPLUS FOR THE YEAR BEFORE GAINS	116,923	179,237
Gains - (Note 1.2)	3,631	1,353
Value Adjustments on Investments	69,140	12,214
Deferred Tax on Value Adjustments	-13,587	-12,720
	<hr/>	<hr/>
SURPLUS FOR THE YEAR	176,107	180,084
RETAINED EARNINGS BROUGHT FORWARD	2,521,526	2,341,442
	<hr/>	<hr/>
RETAINED EARNINGS CARRIED FORWARD	<u>£ 2,697,633</u>	<u>£ 2,521,526</u>

**NORTHUMBRIA POLICE FEDERATION
JOINT BRANCH BOARD FUND**

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2016

			<u>2016</u>	<u>2015</u>
FIXED ASSETS	Cost	Accumulated Depreciation	Net Book Value	
	£	£	£	£
Office Equipment	567,185	506,179	61,006	74,904
Office Premises	825,472	197,811	627,661	644,170
Lodge Premises	147,591	23,615	123,976	126,928
Investments				
	<u>1,540,248</u>	<u>727,605</u>	<u>812,643</u>	<u>846,002</u>
INVESTMENTS	2016 Cost	2015 Cost	2016 Market Value	2015 Market Value
	£	£	£	£
Investments	<u>723,333</u>	<u>716,095</u>	<u>854,868</u>	<u>779,695</u>
CURRENT ASSETS				
Subscriptions Due		-		-
Cash at Bank and in Hand			1,169,827	968,793
Debtors and Prepayments			8,056	12,115
			<u>1,177,883</u>	<u>980,908</u>
LESS CURRENT LIABILITIES				
Contributions due to Central Committees (Note 4)			55,410	17,939
Corporation Tax			3,115	1,430
HM Customs & Excise			1,182	2,612
Deferred Tax			26,307	12,720
Sundry Accrued Expenses			61,747	50,378
			<u>147,761</u>	<u>85,079</u>
NET CURRENT ASSETS			<u>1,030,122</u>	<u>895,829</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,697,633</u>	<u>2,521,526</u>
LESS LONG TERM CREDITORS (falling due after more than one year)			-	-
NET ASSETS			<u>£ 2,697,633</u>	<u>£ 2,521,526</u>
REPRESENTED BY				
Accumulated Fund			2,697,633	2,521,526
			<u>£2,697,633</u>	<u>£2,521,526</u>

We certify that we have fully complied with the Regulation 2 Police Federation (Amendment) Regulations 2015 and disclosed in the F45 all funds of which we are a beneficiary. We understand that failure to comply with this Regulation could be deemed a criminal and/or Police Disciplinary matter.

Signed  CHAIRMAN

Signed  TREASURER

Date Accounts Approved 19/1/17

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015**

	<u>2016</u>	<u>2015</u>
	£	£
1. ADMINISTRATION EXPENSES		
Additional Responsibility Payment (Honoraria)	3,341	
Annual Conference	-	-
Audit and Accountancy Charges	6,204	6,204
Bank Charges	487	500
Clerical Assistance and Social Security Costs	118,247	129,481
Computer Costs	52,141	34,000
Corporation Tax	2,196	1,400
Depreciation of Office Equipment	13,897	17,387
Donations		
Wreaths and Presentations Items	22,488	3,718
Insurance	2,840	2,773
Meeting Expenses	87,818	65,595
Official Publications	14,475	16,142
Out-of-Pocket Expenses	18,631	20,428
Postage, Printing and Stationery	20,427	20,302
Repairs and Maintenance	10,346	10,295
Sundry Expenses	1,043	714
Telephone Charges	9,400	7,673
Travelling and Subsistence	79,364	83,607
Other Expenses:-		
Fundraising Items	34	154
General & Water Rates	25,473	21,959
Heat & Light	7,402	6,435
Investment Management Charges	9,110	7,479
Lodge Running Expenses	11,834	13,595
Medical Treatment Costs	627,383	762,007
Property Management Charges	4,162	7,138
Depreciation of Premises	19,461	19,461
Training	30,965	35,049
Legal Fees	40,342	29,670
VAT Charge	7,167	8,307
Website Costs	9,256	7,177
TOTAL AS PER STATEMENT OF INCOME & RETAINED EARNINGS	<u><u>£ 1,255,934</u></u>	<u><u>£ 1,338,650</u></u>
	<u>2016</u>	<u>2015</u>
	£	£
1.1 OTHER INCOME		
Healthcare Scheme Subscriptions	855,564	996,840
Insurance Commission	257,774	246,718
Donations Received		7,716
Bank Interest Received (Gross)	1,374	2,598
Dividends Received	11,503	8,391
Rental Income	9,467	8,792
Charity Fundraising	257	405
Sundry Membership Services		110
TOTAL AS PER STATEMENT OF INCOME & RETAINED EARNINGS	<u><u>£ 1,135,939</u></u>	<u><u>£ 1,271,570</u></u>
	<u>2016</u>	<u>2015</u>
	£	£
1.2 GAINS		
Gain on Investments sold	3,631	1,353
TOTAL AS PER STATEMENT OF INCOME & RETAINED EARNINGS	<u><u>£ 3,631</u></u>	<u><u>£ 1,353</u></u>

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

2. ACCOUNTING POLICIES

A. Accounting Convention

The financial statements have been prepared under the requirements of the Police Federation Regulations and Fund Rules and adopting the measurement principles of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102)

This is the first year in which the Financial Statements have been prepared in accordance with FRS 102. The date of transition is 1st January 2015. The transition to FRS 102 has resulted in a small number of changes in the accounting policies to those used previously.

B. Accounting Convention

The Financial Statements have been prepared under the historic cost convention except investments which are stated at market value.

C. Income

Income is primarily derived from subscriptions collected from the Fund's members
Other incomes includes investment income and income generated from providing member services.

D. Expenditure

Expenditure is shown inclusive of Value Added Tax, in so far as it is irrecoverable.

E. Depreciation

Depreciation has been calculated at rates required to write off the relevant assets over their anticipated lives. The applicable annual rates are:

Furniture and Fittings	- 10% reducing balance basis
Electronic Equipment	- 20% reducing balance basis
Federation Premises	- 2% straight line basis

F. Taxation

Provision is made for Corporation Tax in respect of the Fund's liability to taxation on investment income, capital gains and income derived from third party transactions

G. Investments

Investments are shown in the financial statements at market value. Provision has been made for Deferred Taxation on the difference between the market values and original cost

H. Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.

I. Healthcare Scheme

A self-funded Healthcare Scheme, known as Northern Police Healthcare Scheme is operated for subscribing Federation members. Whilst, all monies in relation to this scheme are included within the attached Accounts, the Trustees regard the excess of income from subscribing members over expenditure to date as being held in trust for the future medical costs of the subscribing members.

The quantum of this designated income at the Balance Sheet date was £1,236,048, (£1,094,698 - 2015), of which £34,230, (£53,098 - 2015), has been approved for which no invoices have been received as the treatment may or may not have been carried out at the Balance Sheet date. The figure of such approved expenditure is assessed by the Trustees.

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

3. STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Regulation 18(2) of the Police Federation Regulations (as amended) requires the Committee, in relation to Federation funds held by it, to keep accounts showing all monies received or paid out and to cause the financial statements for each year to be audited by an independent auditor. In causing the financial statements to be prepared, the Committee is required to:

- * Select suitable accounting policies and apply them consistently.
- * Make judgements and estimates that are reasonable and prudent.
- * Ensure that the financial statements are prepared on the going concern basis unless it is appropriate to presume otherwise.

The Committee is responsible for keeping adequate accounting records and also is responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

4. CONTRIBUTIONS DUE TO CENTRAL COMMITTEES

	<u>2016</u>	<u>2015</u>
Constables	42,923	731
Sergeants	11,509	12,654
Inspectors	978	4,554
	<u><u>£55,410</u></u>	<u><u>£17,939</u></u>

5. CONTRIBUTING AND NON CONTRIBUTING MEMBERS AT 31ST DECEMBER 2016

	No. of Contributing Members		No. of Non Contributing Members		Others*	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cadets	-	-	-	-	-	-
Constables	2,513	2,632	176	173	21	26
Sergeants	419	418	11	12	2	1
Inspectors/Chief Inspectors	156	155	7	9	0	0
	<u><u>3,088</u></u>	<u><u>3,205</u></u>	<u><u>194</u></u>	<u><u>194</u></u>	<u><u>23</u></u>	<u><u>27</u></u>

* These columns refer to those members who are non contributors by virtue of receiving no pay, being on unpaid maternity leave or serving officers on career breaks. (JBB Circular 53/96 refers).

6 INVESTMENTS

	<u>2016</u> <u>Market</u> <u>Value</u>	<u>2015</u> <u>Market</u> <u>Value</u>
Equities	423,593	103,176
Fixed Interest Funds	105,985	376,601
Property	35,433	22,206
Alternative Assets	59,716	78,252
Unit Trusts	198,948	186,592
Cash	31,193	12,868
	<u><u>£854,868</u></u>	<u><u>£779,695</u></u>

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

8 TRANSITION TO FRS 102

This is the first year that the entity has presented Financial Statements complying with the measurement principles of FRS 102. The entity has restated the comparative prior year amounts (where applicable) in accordance with FRS 102 requirements.

CHANGES UNDER FRS 102

1. Deferred tax on change in measurement of investments from historic cost to market value.

Restated Statement of Financial position

	Explanation	£
Original Retained Earnings at 31 December 2015		2,534,246
Deferred Tax	1	- 12,720
Restated Retained Earnings at 31 December 2015		2,521,526

Restated Statement of Income and Retained Earnings

	Explanation	£
Original Surplus for the year Ended 31 December 2015		192,804
Deferred Tax	1	- 12,720
Restated Statement for the Year Ended 31 December 2015		180,084

